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SUBJECT: HUSSAYN AL-SHAYKH WITH CODEL ACKERMAN ON FATAH

REFORM, PA-GOI COOPERATION, INTERNATIONAL MEETING

Classified By: Acting Principal Officer Thomas M. Duffy, per reasons 1. 4 (b) and (d)

11. (C) Summary. On August 29, Fatah leader and PA Civil Affairs director Hussayn al-Shaykh told CODEL Ackerman that PM Fayyad has taken bold steps in addressing internal Palestinian security issues, dissolving Hamas charities, and calling for a three-year economic development plan. He added that to confront Hamas and turn the West Bank into a model of democracy, Abu Mazen and PM Fayyad need political support from the GoI. Al-Shaykh said Fatah is in crisis and called for the election of new leadership. Before the November international meeting, al-Shaykh said that Abu Mazen and Olmert must agree on guidelines for a peace process and that the GoI must remove some road blocks to increase Palestinians' mobility. End Summary.

West Bank as Model of Democracy

- ¶2. (C) On August 29, al-Shaykh told Representatives Gary Ackerman (D-NY) and John Hall (D-NY) that PM Fayyad has taken bold steps to address internal Palestinian security issues, dissolving Hamas charities, and calling for a three-year economic development plan. He believes Palestinians are generally supportive of Fayyad and his independent government and that Hamas will face a serious challenge from the new government when there is movement on the peace process.
- 13. (C) Al-Shaykh said the GoI and the PA share an interest in combating terrorism in Gaza, finding a just solution to the their conflict, and increasing economic viability in the Arab world. He added that now, more than ever, Abu Mazen and PM Fayyad need political support from the GoI. He said, "If the West Bank becomes a model of democracy, this will be the fatal bullet with which we shoot Hamas." Al-Shaykh said that it is a mistake to assume that Hamas is not strong in the West Bank, but added that their strength is in electoral support, not military might.

Fatah Facing Leadership Crisis

14. (C) Al-Shaykh said Fatah is suffering from a leadership crisis and that "the corrupt current" must be dealt with. He said Abu Mazen is the only one from the "Old Guard" who can take steps to democratize the movement and deal with the generation gap. Al-Shaykh commented that "the FCC members deal with Fatah as if it's a ranch of their own" and suggested holding the Sixth General Conference to elect new leadership. He said that the biggest gift Fatah has received is Salam Fayyad serving as Prime Minister. Unlike the Fatah leadership which has no real plan, al-Shaykh said that PM Fayyad has a legitimate economic development plan that will

win public support. Describing the "Old Guard" Fatah leadership as "Hamas-like," al-Shaykh said that if there was not so much corruption, Hamas would not have taken over Gaza.

International Meeting

- 15. (C) Before the November international meeting, al-Shaykh said that Abu Mazen and Olmert must agree on guidelines for a peace process. He also said that Palestinians must see some checkpoints and road blocks removed prior to the meeting. Al-Shaykh stressed that only Israelis and Palestinians can reach an agreement and urged the international community not to pressure Israel to take a position it does not want.
- 16. (C) Al-Shakyh recounted how on August 28, he received a call from a contact in Sabra neighborhood in Gaza reporting that a would-be suicide bomber intended to enter Israel imminently. Al-Shaykh said he immediately called his Israeli Civil Affairs counterpart to report the name of the suspect. He stressed that cooperation between the GoI and PA is essential in the lead-up to the November international meeting and said the PA must meet the GoI's security concerns to get the political process moving.
- \P 7. (U) CODEL Ackerman did not have an opportunity to clear on this cable.

DUFFY